



Rule Up for Final Action

Proposed Amendments to

WAC 230-08-010

Monthly records.

ITEM 13 (a) on the September 12, 2003, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Staff.

Why is this rule change needed?

Housekeeping: A reference to WAC 230-40-821 was added to subsection (1) to clarify that general accounting records for house-banked card games must comply with this rule. Furthermore, headers were added so topics will be easier to locate.

Statements against the proposed rule change.

None at this time.

Which licensees will be directly impacted?

House-banked card rooms.

What are the potential impacts to the agency?

Minimal.

Staff recommendation.

Adoption.

Proposed effective date.

January 1, 2004.



Rule Up for Final Action

Proposed Amendments to

WAC 230-12-340

Sale of gambling equipment, devices, supplies, paraphernalia, and related services - Credit Prohibited – Exceptions.

ITEM 13 (b) on the September 12, 2003, Commission Meeting Agenda.	Statutory Authority 9.46.070
Who proposed the rule change?	
Staff.	
Why is this rule change needed?	
<p>Commission rules prohibit licensees from purchasing or selling gambling equipment and supplies on credit. WAC 230-12-340 provides an exception to this restriction. The exception allows licensed manufacturers and distributors to sell expensive gambling equipment (bingo ball blowers, pull-tab dispensing machines, etc.) on capital lease agreements or through other financing. The intent was to allow licensees the ability to obtain equipment, which may otherwise not be affordable if purchased on a cash basis.</p> <p>Recently, a licensee purchased smaller items (card and chips) on credit and felt doing such was allowed under this rule. This amendment clarifies that only more expensive gambling equipment may be purchased on credit, and disposable items such as cards and chips, need to be paid for at the time of purchase.</p> <p><u>Change after the June Commission meeting:</u> At the June Commission meeting, there was much discussion about this rule and why extending credit is limited. Since that time, staff have been reviewing the agency's philosophy behind restricting credit and recommends this rule be pulled from the agenda to allow time to complete the review.</p>	
Statements against the proposed rule change.	
None at this time.	
Which licensees will be directly impacted?	
All licensees.	
What are the potential impacts to the agency?	
Minimal.	
Staff recommendation.	
Staff recommends that this rule not be adopted.	



Rule Up for Final Action

Proposed Amendments to

WAC 230-40-010

Social card games – Rules of play – Types of card games authorized.

ITEM 13 (c) on the September 12, 2003, Commission Meeting Agenda.	Statutory Authority 9.46.070
Who proposed the rule change?	
Staff.	
Why is this rule change needed?	
<p>Housekeeping: The rule authorizing Washington Blackjack - WAC 230-40-125 (ITEM (e)) is up for repeal. Therefore, the reference to WAC 230-40-125 is being removed from this rule.</p>	
Statements against the proposed rule change.	
None at this time.	
Which licensees will be directly impacted?	
None.	
What are the potential impacts to the agency?	
Minimal.	
Staff recommendation.	
Adoption.	
Proposed effective date.	
January 1, 2004.	



Rule Up for Final Action

Proposed Amendments to

WAC 230-40-040

Fees for house-banked card games – Prohibited – Exception.

ITEM 13 (d) on the September 12, 2003, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Staff.

Why is this rule change needed?

When this rule was adopted in 2000, Pai Gow Poker was the only game played with a commission. Since that time, other games have been introduced that also have a commission.

Statements against the proposed rule change.

None at this time.

Which licensees will be directly impacted?

House-banked card room licensees.

What are the potential impacts to the agency?

Minimal.

Staff recommendation.

Adoption.

Proposed effective date.

January 1, 2004.



Rule Up for Final Action

Proposed Repealer to

WAC 230-40-125

Washington Blackjack – Rules of play – Wagering limits.

ITEM 13 (e) on the September 12, 2003, Commission Meeting Agenda.	Statutory Authority 9.46.070
Who proposed the rule change?	
Staff.	
Why is this rule change needed?	
<p>Washington Blackjack was authorized in 1990 at the request of the card room industry. In 2000, rule making was underway to implement the 1997 Legislation, which allowed card rooms to offer house-banked card games. As part of that rules package, staff recommended that this rule be repealed because the change in state law allowed standard blackjack to be conducted. Additionally, in the previous year, several licensees lost their gambling licenses because Washington Blackjack games were not being operated in the proper manner.</p> <p>At the April 2000 meeting, the Commissioners heard from operators who were still conducting this game. At that time, only three card rooms were offering the game. Those three operators were allowed to operate under a “grandfather” provision. These card rooms no longer operate Washington Blackjack. Therefore, this game is no longer offered in Washington State and this rule is up for repeal.</p> <p>At the June Commission meeting, there was much discussion about why this rule was up for repeal. Historically, this game has been difficult to regulate and was often played improperly. Because no surveillance was required for Washington Blackjack, the primary way violations could be discovered was through undercover investigations, which are time-consuming and expensive.</p> <p>In 1999, numerous illegal activities associated with this game resulted in criminal charges and administrative actions taken by the Commission. Attached is a brief summary of these cases. Also attached, are excerpts from the January, March and April 2000, Commission meeting minutes when the Commission voted to only allow three card rooms to continue to offer Washington Blackjack.</p> <p><u>Attachments:</u> Brief Summary of Regulatory Violations Associated with Washington Blackjack Excerpts from the January, March and April 2000, Commission meeting minutes</p>	
Statements against the proposed rule change.	
None at this time.	
Which licensees will be directly impacted?	
None.	
What are the potential impacts to the agency?	
Minimal.	
Staff recommendation.	
Adoption.	
Proposed effective date.	
January 1, 2004.	



Rule Up for Final Action

Proposed Amendments to

WAC 230-40-805

Progressive jackpot prizes – Procedures – Restrictions – House-banking.

ITEM 13 (f) on the September 12, 2003, Commission Meeting Agenda.	Statutory Authority 9.46.070
Who proposed the rule change?	
Staff.	
Why is this rule change needed?	
<p>The amendment to subsection (3)(c) clarifies that any money removed from a jackpot must be used to purchase merchandise prizes or it should remain in the jackpot account.</p> <p>For example, a house-banked card room operator removed a portion of a jackpot to buy merchandise prizes. The advertised prize amount was lowered to reflect the funds removed. Before the operator purchased all the merchandise, a player won the jackpot. The player was awarded the advertised jackpot. However, the funds that were pulled from the jackpot to be used on merchandise prizes were not awarded. This error was discovered by a gambling special agent during a review. The agent instructed the card room to give the jackpot funds held by the operator to the player that won the jackpot.</p> <p>This amendment ensures that winners receive the full amount of jackpot prizes.</p>	
Statements against the proposed rule change.	
None at this time.	
Which licensees will be directly impacted?	
Card room licensees offering progressive jackpot prizes.	
What are the potential impacts to the agency?	
Minimal.	
Staff recommendation.	
Adoption.	
Proposed effective date.	
January 1, 2004.	



Rule Up for Final Action

Proposed Amendments to

WAC 230-40-821

General accounting records – House-banking.

ITEM 13 (g) on the September 12, 2003, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Staff.

Why is this rule change needed?

This amendment clarifies where records are to be stored.

Statements against the proposed rule change.

None at this time.

Which licensees will be directly impacted?

House-banked card rooms.

What are the potential impacts to the agency?

Minimal.

Staff recommendation.

Adoption.

Proposed effective date.

January 1, 2004.